

Uninsured/Underinsured Motorists Coverage

Today, many motorists drive without insurance or carry limits of liability that are grossly inadequate. When one of these drivers causes an accident, the victims may not be compensated for their loss. The insurance industry has developed two coverages designed to indemnify the innocent victims for the loss caused by an uninsured or underinsured driver.



The purpose of the coverages is to put the victim in the same position as if the motorist who is legally liable had bodily injury coverage sufficient to pay the damages.

Uninsured Motorist coverage provides compensation to insureds who have suffered bodily injury in an accident with an at-fault motorist who does not have any bodily injury liability insurance. The coverage also applies when the victim is injured by a hit and run vehicle or if the insurance company covering the at-fault driver either denies coverage or becomes insolvent. A second coverage, Underinsured Motorist coverage, is activated when the at-fault driver has some coverage, but not enough to cover all the damages of the accident.

With an increasing number of uninsured and underinsured drivers on the road, the prudent person is buying limits for Uninsured and Underinsured Motorist coverage equal to the liability limits found on their auto insurance policy. In addition, many people endorse excess limits of Uninsured and Underinsured Motorist coverage on to their Personal Umbrella Liability policy.

In a perfect world, everyone who owns or drives a car would insure it for substantial limits of liability. In the real world, we cannot assume this is the case and today drivers need to enhance their own auto policy by adding Uninsured and Underinsured Motorist coverage.